

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED WATER)	CASE NO.
ADJUSTMENT FILING OF MUHLENBERG)	2019-00387
COUNTY WATER DISTRICT #3)	

ORDER

On October 21, 2019, Muhlenberg County Water District No. 3 (Muhlenberg District #3) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

Having reviewed the record and being otherwise sufficiently advised, the Commission finds that:

1. Muhlenberg District #3 purchases water from the city of Central City (Central City).
2. The city of Central City (Central City) notified Muhlenberg District #3 that its wholesale rate would increase from \$2.63 per 1,000 gallons to \$3.31 per 1,000 gallons effective July 31, 2019. Muhlenberg District #3 proposes to increase the water rates to its customers effective October 31, 2019, to reflect the increased cost of purchased water from Central City.
3. Muhlenberg District #3 proposed a purchased water adjustment factor of \$0.88 per 1,000 gallons in its application.

¹ KRS 278.015; 807 KAR 5:068.

4. During the 12 months ended August 31, 2019, Muhlenberg District #3 purchased 213,989,900 gallons of water from Central City. During the same period, Muhlenberg District #3 sold 166,778,900 gallons of water. The increase in the cost of purchased water is \$145,513.13, resulting in a purchased water adjustment factor of \$0.88 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.88 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

6. Muhlenberg District #3's proposed rates are approved.

7. Muhlenberg District #3 proposed an effective date of October 31, 2019, Central City's wholesale rate to Muhlenberg District #3 was approved for service provided effective November 19, 2019.²

8. The rates as set forth in Appendix B to this Order are fair, just, and reasonable, and should be approved for water service rendered by Muhlenberg District #3 on and after November 19, 2019.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.88 per 1,000 gallons is approved.

2. The rates proposed by Muhlenberg District #3 are approved.

3. Muhlenberg District #3's proposed effective date is denied.

4. The rates, as set forth in Appendix B to this Order, are approved for water service rendered by Muhlenberg District #3 on and after November 19, 2019.

² Case No. 2019-00260, *Electronic Proposed Adjustment Of The Wholesale Water Service Rates Of Central City Municipal Water & Sewer* (Ky. PSC Nov. 19, 2017).

5. Within 20 days of the date of entry of this Order, Muhlenberg District #3 shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

6. This case is hereby closed and removed from the Commission's docket.

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By the Commission

ENTERED
NOV 20 2019
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


For Executive Director

Case No. 2019-00387

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2019-00387 DATED **NOV 20 2019**

	Base Rate	New Rate	Increased Cost
Central City Purchases in Gallons	213,989,900	213,989,900	
Wholesale rate	<u>\$2.63/1,000</u>	<u>\$3.31/1,000</u>	
	\$562,793.44	\$708,306.57	\$145,513.13

Increased water cost \$ 145,513.13

Divided by Gallons sold/1,000 166,778,900

Purchased water adjustment factor \$ 0.8725 per 1,000 Gallons

or \$ 0.88 per 1,000 Gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2019-00387 DATED **NOV 20 2019**

The following rates and charges are prescribed for the customers in the area served by Muhlenberg County Water District No. 3. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

First	2,000 gallons	\$ 24.15	Minimum bill
Next	8,000 gallons	7.76	per 1,000 gallons
Next	10,000 gallons	7.39	per 1,000 gallons
Next	30,000 gallons	6.92	per 1,000 gallons
All Over	50,000 gallons	6.57	per 1,000 gallons

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